

Stichting Pensioenfonds ABP

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Description of RI considerations	✓	Public	✓					✓	
SAM 02	Role of investment consultants	✓	Public				✓			
SAM 03	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 04	Breakdown of passive, active quant and active fundamental	✓	Private							✓
SAM 05	ESG incorporation strategies	✓	Public	✓	✓					
SAM 06	Selection processes (listed assets)	✓	Public	✓					✓	
SAM 07	Appointment considerations (listed assets)	✓	Public				✓			
SAM 08	Monitoring processes (listed assets)	✓	Public	✓						
SAM 09	Percentage of (proxy) votes cast	✓	Public		✓					
SAM 10	Selection processes (non-listed assets)	✓	Public	✓					✓	
SAM 11	Appointment considerations (non-listed assets)	✓	Public				✓			
SAM 12	Monitoring processes (non-listed assets)	✓	Public	✓					✓	
SAM 13	Description of RI considerations in ‘other’ asset classes	✓	Public	✓					✓	
SAM 14	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓					✓	
SAM 15	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public		✓					
SAM 16	Disclosure of RI considerations	✓	Public						✓	

Indirect - Inclusive Finance				Principle							General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	7	
IFI 01	Percentage of externally managed assets in inclusive finance managed by PIIF signatories	✓	Public								✓
IFI 02	Due diligence policies and/or procedures for the selection of external investment managers	✓	Public								✓
IFI 03	Including issues referred to in the PIIF	✓	Public								✓
IFI 04	Monitoring managers’ implementation of the PIIF	✓	Public								✓
IFI 05	Managers provide information in line with established industry standards	✓	Public								✓
IFI 06	Disclosure of approach to RI in inclusive finance	✓	Public								✓
IFI 07	Contributing to promotion of RI in inclusive finance	✓	Public								✓

Stichting Pensioenfondsen ABP

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01	Mandatory	Gateway/Peering	General
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OO 01.1 Select the category which best represents your primary activity.

- ☒ Non-corporate pension or superannuation or retirement or provident fund or plan
- ☐ Corporate pension or superannuation or retirement or provident fund or plan
- ☐ Insurance company
- ☐ Foundation or endowment
- ☐ Development finance institution
- ☐ Reserve - sovereign or government controlled fund
- ☐ Other, specify

OO 02	Mandatory	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

Netherlands

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- ☒ 1
- ☐ 2-5
- ☐ 6-10
- ☐ >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

26.8

OO 02.4 Additional information. [Optional]

The Stichting Pensioenfonds ABP is an independent body with its own Board of Trustees. Social partners, representing the employers and employees, nominate the twelve members of the ABP Board of Trustees. The board members act independently from the organizations they represent and are responsible for ABP's performance. The chair is independent and nominated by the Board of Trustees. ABP's Accountability Council (Verantwoordingsorgaan) is a body with full authorization, incorporating 48 employees, retirees and representatives of employers. The Council gives advice to the Board of Trustees on policy, either at the specific request of the Board, or of their own accord. A Supervisory Board with 5 independent members monitors the actions of the Board of Trustees. 'De Nederlandsche Bank' (DNB) is an important external institution that supervises ABP's Board. The ABP brand has always been associated with the target group for which it administers the pension scheme. The Board of Trustees made that relationship even more explicit by stating that: ABP exists for the people who serve the public, and the public is all of us.

OO 03	Mandatory	Descriptive	General
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OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ☐ Yes
☒ No

OO 03.3

Additional information. [Optional]

Our dedicated investment manager and advisor, APG Asset Management, is a member of the APG Groep, which in turn is majority-owned by ABP. Our investment manager is a PRI signatory and has separately completed the PRI Report.

OO 04	Mandatory	Gateway/Peering	General
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OO 04.1

Indicate the year end date for your reporting year.

31/12/2014

OO 04.2

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		342	900	000	000
Currency	EUR				
Assets in USD		449	710	324	123

OO 04.5

Indicate the level of detail you would like to provide about your asset class mix.

- ☐ Approximate percentage breakdown to the nearest 5% (e.g. 45%)
☒ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06	Mandatory	Descriptive	General
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OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- ☒ Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	0	10-50%
Fixed income – corporate	0	10-50%

Fixed income – government	0	10-50%
Fixed income – other	0	0
Private debt	0	0
Private equity	0	<10%
Property	0	<10%
Infrastructure	0	<10%
Commodities	0	<10%
Hedge funds	0	<10%
Forestry	0	<10%
Farmland	0	<10%
Inclusive finance	0	<10%
Cash	0	0
Other (1), specify	0	<10%
Other (2), specify	0	0

'Other (1)' specified

Opportunities in intellectual property, overlay and global tactical asset allocation strategies.

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 09	Voluntary	Descriptive	General
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OO 09.1

Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.

ABP aims to be a sustainable and dependable pension fund for its participants that is able to meet its financial liabilities now and in the future. The objectives of ABP are:

- to contribute actively to maintaining a sustainable pension system that enjoys broad support;
- to provide an affordable pension that is attractive to young and old and to participants, pensioners, former participants and employers.

ABP will spread the risks inherent in the scheme as fairly as possible over all stakeholders. ABP provides flexibility and individual choice within the collective framework and communicates actively with participants and employers.

To continue working to become a more participant-oriented pension fund, ABP aims to achieve transparency and promote engagement by providing information that really helps participants and employers to make the right pension choices. Communication is not focused exclusively on older people and also seeks to impress upon younger people the importance of a good pension. ABP supports employers in discharging their duty of care to their employees by assisting them with or relieving them of certain tasks. To provide more than pensions alone, ABP offers products and services that support active ageing and actively publicises the flexibility of the pension scheme, thus promoting the continued participation of older participants in the labour market. This is consistent with the long-term strategy to keep the pension scheme affordable. To make the organisation more professional, ABP focuses on specific target groups (public sector and education) and provides good pension fund governance based on accepted principles. ABP ensures that the pension scheme is consistent with the fund's objective of the best possible price/quality ratio.

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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OO 10.1	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.
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- ☐ We engage with companies on ESG issues via our staff, collaborations or service providers
- ☐ We cast our (proxy) votes directly or via service providers
- ☒ We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- ☐ None of the above

OO 10.3	Additional information. [Optional]
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On our behalf, APG engages with companies that do not comply with our Responsible Investment Policy or where ESG performance can be improved. APG has also been mandated to vote on shareholder meetings on our behalf.

OO 11	Mandatory	Gateway	General
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OO 11.2	Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.
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- ☒ Fixed income – corporate
- ☒ Fixed income – government
- ☒ Private equity
- ☒ Property
- ☒ Infrastructure
- ☒ Commodities
- ☒ Hedge funds
- ☒ Forestry
- ☒ Farmland
- ☒ Inclusive finance
- ☒ Other (1)
- ☐ None of the above

'Other (1)' [as defined in OO 05]

Opportunities in intellectual property, overlay and global tactical asset allocation strategies.

OO 11.3	Additional information. [Optional]
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In 2008 ABP appointed APG as a dedicated discretionary investment manager to manage all our assets. The contractual arrangement is long-term, although this arrangement is subject to renewal in regular multi-year intervals. Therefore, selection and appointment do not happen frequently, although in the initial selection and appointment process we did consider the manager's approach to responsible investing and the implementation of our Responsible Investment Policy remains a contractual requirement. ABP also regularly monitors the implementation of its Responsible Investment Policy in all of the above asset classes.

OO 12	Mandatory	Gateway	General
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OO 12.1	The modules and sections that you will be required to complete are listed below.
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This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- ☒ Organisational Overview
- ☒ Overarching Approach (including assets which do not have a separate module)

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

- ☒ Listed Equities
- ☒ Fixed Income - Corporate
- ☒ Fixed Income - Government
- ☒ Private Equity
- ☒ Property
- ☒ Infrastructure
- ☒ Commodities
- ☒ Hedge funds
- ☒ Forestry
- ☒ Farmland
- ☒ Other (1)

- ☒ Inclusive Finance

Closing module

- ☒ Closing module

Stichting Pensioenfonds ABP

Reported Information

Public version

Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1	Indicate if you have a responsible investment policy.
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- ☒ Yes
☐ No

OA 01.2	Indicate if you have other guidance documents or more specific policies related to responsible investment.
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- ☒ Yes
☐ No

OA 01.3	Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]
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ABP feels it has an obligation to achieve the highest possible return for participants. In doing so, we believe that companies with strategies that, in addition to financial return, place a high value on the environment, social factors and good corporate governance will perform better in the long term. We are also aware of the far-reaching influence of our investments and the social responsibility that this implies. The reason for this is the large amount of capital that we invest and our substantial position in the capital market. Consequently, we have chosen to implement a strong Responsible Investment Policy. As a long-term investor, ABP places a priority on the long-term goals of the companies in which it invests. Sustainable economic growth, as well as information on environmental, social and corporate governance issues, are all important factors in our investment analysis. These topics are not always covered in a company's financial statements, but they are particularly relevant for a long-term investor such as ABP. We believe that the companies in which we invest must take their stakeholders' interests into account. These include shareholders and other suppliers of capital, employees, customers, suppliers and the environment. We believe that companies must take appropriate account of all these parties in their efforts to earn a profit. If stakeholders act in the same spirit we can create a virtuous circle of responsible business.

Our activities in the area of ESG do not represent a goal in and of themselves. ESG helps us to discharge our primary responsibility by increasing return and lowering risks. We keep implementation of our policy in these areas under constant review. ABP prefers to invest in companies that are expected to be able to guarantee the interests of investors well and for the long term. After all, we are a major investor with liabilities for the long term. Therefore we pursue an active corporate governance policy. This policy sets out our expectations on transparency, independent board membership, accountability and shareholders' rights in the companies in which we invest. Because our equity portfolio is international, we assess the quality of the corporate governance on the basis of international principles and codes, as well as on the basis of the 2009 Dutch Tabaksblad Code (Corporate Governance regulations). Our Corporate Governance Framework sets out in more detail how we implement our corporate governance policy in practice. We aim to exercise our voting rights in respect of the companies in our portfolio via our dedicated investment manager who uses national and international advisory services as input for their analysis. When required, they will attend or be represented at shareholders' meetings in the Netherlands on our behalf in person in order to communicate views to company boards. The Framework also sets out our approach to legal proceedings and it explains how ABP deals with securities lending and voting.

ABP starts from the premise that all the companies in which it invests should comply with the United Nations Global Compact. Our investment manager will - on our behalf - enter into dialogue with companies if there are indications that this is not the case or if there is room for substantial improvement in areas such as human rights or climate change. If our efforts do not produce the desired result and the company continues to contravene the principles of the UN Global Compact, we will reconsider our investment in it.

ABP does not want to invest in companies involved in products or services prohibited by Dutch or international law. For this reason, we do not invest in companies involved in the production of antipersonnel (land)mines, cluster bombs, or chemical or biological weapons. After double-checking the information we have, we exclude these companies from our investments.

ABP does not invest in sovereign bonds issued by countries that are subject to an arms embargo by the UN Security Council.

Additionally, ABP seeks investments that contribute to more sustainable societies by addressing environmental and/or social challenges including climate change, pollution, water scarcity, the loss of habitats and species, education, poverty and socio-demographic trends and imbalances. ABP's main societal responsibility is to deliver affordable pensions to its clients and their beneficiaries, and hence these investments have to match ABP's risk-return requirements.

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1	Indicate if your responsible investment policy is publicly available.
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☒ Yes

OA 02.2	Provide a URL to your responsible investment policy.
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	URL
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<http://www.abp.nl/over-abp/wat-doen-wij/beleggen/verantwoord-beleggen/>

☐ No

OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.
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☒ Yes

☐ Yes, all

☒ Yes, some

OA 02.4	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.
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Policy or document name	URL
Corporate Governance Framework	http://www.abp.nl/en/about-abp/investments/esg-policy.asp
Exclusion List	http://www.abp.nl/over-abp/wat-doen-wij/beleggen/verantwoord-beleggen/
Vote Disclosure	http://www.abp.nl/over-abp/wat-doen-wij/beleggen/verantwoord-beleggen/
List of Holdings & External Managers	http://www.abp.nl/over-abp/wat-doen-wij/beleggen/beleggingsbeleid/verantwoording.asp
Responsible Investment Policy (English version)	http://www.abp.nl/en/about-abp/investments/esg-policy.asp

☐ No

OA 02.5	Additional information. [Optional]
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Please note that our Voting Policy is part of our Corporate Governance Framework.

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
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Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.2	Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]
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Please note that some of the more specific guidelines referred to above have been developed and implemented by our dedicated investment manager in order to meet our general policy in specific areas.

OA 04	Mandatory	Core Assessed	General
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OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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☒ Yes

OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
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ABP has numerous procedures, structures and policies to protect against conflicts of interest. Within ABP, a Code of Conduct is applicable to avoid conflict of interest issues. Besides this, we also have an Integrity Policy in place.

☐ No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1	Indicate if your organisation sets objectives for its responsible investment activities.
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☒ Yes

OA 05.2	Indicate how frequently your organisation sets or revises objectives for responsible investment.
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☒ At least once per year

☐ Less than once per year

OA 05.3	Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.
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☐ Quarterly

☐ Biannually

☒ Annually

☐ Every two years or less

☐ It is not reviewed

☐ No

OA 05.4

Additional information. [Optional]

ABP's Responsible Investment Policy has three stated goals:

- to contribute to risk-adjusted returns;
- to contribute to the integrity of financial markets; and
- to demonstrate social responsibility.

OA 06**Voluntary****Descriptive****General****OA 06.1**

List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

☒ Add responsible investment objective 1

Objective 1	Further deepening of ESG integration within equities (Quant)
Key performance indicators	Integrate broad based ESG metrics into the quant investment process and develop a systematic approach for monitoring companies and portfolios.
Describe the progress achieved	APG developed and tested an ESG score which appears to be statistically correlated with future stock risk and could be integrated into portfolio construction.

☒ Add responsible investment objective 2

Objective 2	Improved governance of the financial sector
Key performance indicators	Successful engagements and integration into investment decisions
Describe the progress achieved	Through heavy engagement, APG clearly articulated the issues most important to us. A number of cases showed corresponding governance improvements and cultural changes.

☒ Add responsible investment objective 3

Objective 3	Contribute to the review of the OECD Guidelines for Multinational enterprises and their applicability to the financial sector
Key performance indicators	Make a meaningful contribution to the reviews from an investor perspective.
Describe the progress achieved	An APG-led investor group drafted and presented a memo for the OECD, highlighting the practical experiences of institutional investors, which other participants highly valued.

OA 06.2	List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.
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☒ Add responsible investment objective 1 for the next reporting year

Objective 1 for the next reporting year	Finalising the broad evaluation of ABP's Responsible Investment Policy, including a long-term vision on responsible investing
Key performance indicators	Conclude redrafting ABP's Responsible Investment Policy, which should include a long-term vision and at least three explicit ambitions for the next five years

☒ Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	Our investment manager's objective is to develop a sustainability standard for infrastructure
Key performance indicators	Successful collaboration with peers in delivering a sustainability standard

☒ Add responsible investment objective 3 for the next reporting year

Objective 3 for the next reporting year	Increase company and investor awareness of supply chain and labour standards issues, with the largest focus on the garment sector
Key performance indicators	Successful engagements with companies and investors to directly improve and raise awareness of supply chain and labour standards issues, especially in the garment sector.

OA 06.3	Additional information.
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The above objectives are partly ABP's objectives from a policy makers' point of view and partly our investment manager's objectives for continued ESG integration efforts on our behalf. The latter are based on our investment manager's commitment to implement and advance the aims of ABP's Responsible Investment Policy.

For example, the development of a sustainability standard for infrastructure is an initiative of our investment manager, undertaken jointly with a number of other institutional investors. Its goal is to create the conditions and framework to stimulate infrastructure managers to adopt better sustainability standards and thereby improve their overall ESG performance.

Another example is the focus on supply chain and labour standards issues in the garment sector, an area on which many institutional investors have focussed recently. Our investment manager has the objective to continue to engage with both companies and investors in 2015 in order to contribute more efficiently to better informed investment decisions, develop more effective engagement with portfolio companies, and enable us to respond to questions from external stakeholders about our investments.

Governance and human resources

OA 07	Voluntary	Descriptive	General
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OA 07.1

Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

One of ABP's ten investment beliefs (#9) states that: 'Corporate governance and sustainability matters: The inclusion of sustainability and governance factors in investment decisions improves the risk-return profile.' This belief is reflected in the Strategic Investment Plan and the Responsible Investment Policy. The board of ABP has put in place a Responsible Investment Policy and has delegated the responsibility of implementing the policy to its dedicated investment manager APG Asset Management (APG).

The Service Level Agreement between ABP and APG integrates responsible investment requirements. ABP receives monthly and quarterly reports from APG. In addition, ABP conducts periodic in-depth reviews of performance and of the policy itself, and members of the ABP Investment Committee and Board receive regular training on ESG matters. The RI Policy is supported by further detailed policies. This reflects the remit of our RI Policy which extends to all asset classes. RI is fully embedded within APG's governance structure. The CEO/CIO of APG chairs the Sustainability & Governance (S&G) Steering Group, which also includes the MD of S&G and four board members, representing risk, legal, alternative investment and clients' concerns. The Steering Group meets on a regular basis to review the implementation of our RI Policy. All relevant RI guidelines and implementation policies also have to be approved by APG's Board.

APG has a dedicated Sustainability & Governance team of nine people in place who work to implement our Responsible Investment Policy across Building Blocks in cooperation with the portfolio managers. ABP relies on APG for the execution of investment-related activities and implementation of its Responsible Investment Policy.

At the investment manager level, for liquid assets, individual investment decisions are made by portfolio managers responsible for specified portfolios - e.g. shares or credits in listed companies in a particular sector. ESG specialists work directly with these portfolio managers to analyse relevant ESG issues and determine their investment implications. For illiquid assets, APG uses third party external managers for specialist types of investment in equities and fixed income (bonds), as well as in real estate, infrastructure, commodities, hedge funds and private equity. APG's ESG team is involved in all decisions to appoint new external managers and signoff on new investment mandates. External managers must be able to demonstrate that they have appropriate policies in place to take account of all relevant ESG issues and report regularly to our investment manager on their performance.

☐ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08
Mandatory
Gateway/Core Assessed
General
OA 08.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- ☒ Board members or trustees
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other Chief-level staff or head of department, specify
- ☐ Portfolio managers
- ☐ Investment analysts
- ☐ Dedicated responsible investment staff
- ☐ External managers or service providers
- ☒ Other role, specify

See answer OA 08.3

- ☒ Oversight/accountability for responsible investment
- ☐ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other role, specify

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
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Number

0

OA 08.3	Additional information. [Optional]
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ABP's Board of Trustees is accountable for the development and implementation of the responsible investment policy. Oversight and assistance is provided by the investment team of ABP's Executive Office (consisting of a Head of Investments, a Risk Manager, a Senior advisor investments and a Senior policy advisor). The investment team assists and advises the Board of Trustees via the Investment Committee (consisting partly of members of the Board of Trustees and partly of external investment specialists). Responsible investment forms an essential part of ABP's investment policy and is therefore frequently being discussed within the executive office itself and with the Board of Trustees and is also strongly integrated into the general corporate culture.

All other roles with specific responsibilities on responsible investing are anchored within our dedicated investment manager, which is a 92% subsidiary of ABP.

OA 09	Voluntary	Additional Assessed	General
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OA 09.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
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Board members/Board of trustees

- ☒ Responsible investment included in personal development and/or training plan

OA 09.2

Describe any activities undertaken during the reporting year to develop and maintain Board members' skills and knowledge in relation to responsible investment.

In the summer of 2014 ABP's Board of Trustees started with a broad evaluation of the Responsible Investment Policy. Focus points are the long-term vision and explicit ambitions for the next years (2015-2020). In order to be able to work on this effectively, the Board formed a working group with the assignment to come up with suggestions for redrafting the Responsible Investment Policy. This working group conducted an extensive literature and peer review on the matter. At the end of 2014 the working group was still deliberating and its work continues into 2015.

Also, our board members frequently attended knowledge sessions of our investment manager, in which the execution and implementation of our Responsible Investment Policy often was an integral part of the session.

Additionally, in early 2014, ABP hosted participant sessions in Amsterdam (x2), Almelo, Den Haag (x2), Eindhoven, Groningen, Heerenveen, Lelystad, Middelburg, Nijmegen, Roermond, Rotterdam and Utrecht, where responsible investment topics formed part of the agenda.

- ☐ None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- ☐ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☐ Responsible investment included in personal development and/or training plan
- ☒ None of the above

Other role

See answer OA 08.3

- ☐ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☐ Responsible investment included in personal development and/or training plan
- ☒ None of the above

OA 09.3

Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

ABP does not have a variable incentive structure and operates as a not-for-profit organisation. Acting as a responsible investor is an important part of the investment policy and incorporated in the overall evaluation of staff.

Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

☒ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
☐ Moderate
☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

ABP is a signatory of the UN PRI.

- ☐ Asian Corporate Governance Association
☐ Association for Sustainable & Responsible Investment in Asia
☐ Australian Council of Superannuation Investors
☐ CDP Climate Change
☐ CDP Forests
☐ CDP Water
☐ CFA Institute Centre for Financial Market Integrity
☐ Council of Institutional Investors (CII)
☒ Eumedion

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
☐ Moderate
☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

ABP is a member of Eumedion.

☒ Extractive Industries Transparency Initiative (EITI)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
☐ Moderate
☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

ABP is a member of the Extractive Industries Transparency Initiative.

- ☐ Global Investors Governance Network (GIGN)
- ☐ Global Real Estate Sustainability Benchmark (GRESB)
- ☒ Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

ABP signed the IIGCC Global Investor Statement on Climate Change.

- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☐ International Corporate Governance Network (ICGN)
- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☐ Investor Network on Climate Risk (INCR)/CERES
- ☐ Local Authority Pension Fund Forum
- ☐ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- ☐ Shareholder Association for Research and Education (Share)
- ☐ United Nations Environmental Program Finance Initiative (UNEP FI)
- ☐ United Nations Global Compact
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify

OA 10.2 Additional information. [Optional]

In addition to the above affiliations, our dedicated investment manager is a member of and a participant in numerous associations and initiatives which span the responsible investment universe. Our investment manager takes an active role in these networks by, for example, serving on various committees. Where appropriate it cooperates with other investors in dialogues with companies and regulators. ABP is therefore able to exercise its influence in various global and local investor-led initiatives.

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

☒ Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- ☐ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- ☐ Provided financial support for academic or industry research on responsible investment
- ☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- ☒ Spoke publicly at events and conferences to promote responsible investment
- ☐ Wrote and published in-house research papers on responsible investment
- ☒ Encouraged the adoption of the PRI
- ☐ Other, specify

☐ No

OA 11.3

Additional information. [Optional]

By publishing an annual Responsible Investment report on our website, ABP encourages transparency and disclosure of responsible investment practices and through our investment manager, we encourage others in the investment chain to sign up to the PRI.

In June 2014, we received the RI Award for best RI report for large funds. During the award ceremony we had the opportunity to stress the importance of responsible investing for us to a large audience of funds and investment managers.

Additionally, in early 2014, ABP hosted participant sessions in Amsterdam (x2), Almelo, Den Haag (x2), Eindhoven, Groningen, Heerenveen, Lelystad, Middelburg, Nijmegen, Roermond, Rotterdam and Utrecht, where responsible investment topics formed part of the agenda.

OA 12**Voluntary****Additional Assessed****PRI 4,5,6****OA 12.1**

Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

☒ Yes

- ☒ Yes, individually
- ☒ Yes, in collaboration with others

OA 12.2

Select the methods you have used.

- ☒ Endorsed written submissions to governments, regulators or standard-setters developed by others
- ☐ Drafted your own written submissions to governments, regulators or standard-setters
- ☐ Participated in face-to-face meetings with government members or officials to discuss policy
- ☐ Other, specify

OA 12.3

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

☒ Yes, publicly available

provide URL

<http://www.iigcc.org/publications/publication/2014-global-investor-statement-on-climate-change>

☐ No

☐ No

OA 12.4

Additional information.

Our dedicated investment manager actively engages on our behalf in the public policy process, preferably through the investor networks of which it is an active part.

Our investment manager also takes an active role in drafting statements on our behalf and which we publicly endorse such as the IIGCC statements on climate change policy, statements by the ICGN on Integrated Reporting and submissions to consultations by Eumedion, to name a few. Our investment manager also actively lobbies on broader issues affecting pension investment management.

ABP finds it important to consider initiatives for improving the economy and is being approached regularly in connection therewith.

ESG issues in asset allocation

OA 13

Voluntary

Descriptive

PRI 1

OA 13.1

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

☒ Yes

- ☐ Allocation between asset classes
- ☐ Determining fixed income duration
- ☐ Allocation of assets between geographic markets
- ☐ Other, specify

OA 13.2

Describe how you apply ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

On behalf of ABP, our dedicated investment manager integrates ESG in the investment decision process for all asset classes and also in the asset allocation process that results in our common Strategic Investment Plan (STIP). It differentiates markets according to ESG considerations, for example taking account of bribery and corruption prevalence in certain markets or by excluding the sovereign debt of countries subject to a UN Arms embargo.

☐ No

OA 14

Voluntary

Descriptive

PRI 1

OA 14.1

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

☒ Yes**OA 14.2**

Indicate the percentage of your total AUM invested in environmental and social themed areas.

% of total AUM

8.5

OA 14.3

Please specify which thematic area(s) you invest in and provide a brief description.

Area

☒ Clean technology (including renewable energy)

Asset class invested

- ☒ Listed equity
- ☒ Fixed income - corporate
- ☐ Fixed income - government
- ☒ Private equity
- ☒ Property
- ☒ Infrastructure
- ☐ Commodities
- ☒ Hedge funds
- ☐ Forestry
- ☐ Farmland
- ☐ Inclusive finance
- ☐ Other (1)

Brief description of investment

On behalf of ABP, our dedicated investment manager actively seeks out attractive investments that promote sustainability. These include investments in sustainable energy, drinking water and waste water purification, waste disposal, schools, and hospitals. Directly and indirectly via our third party external fund managers, we provide capital to investments that add value in respect of both financial returns and sustainable development.

☒ Green buildings

	Asset class invested
--	----------------------

- ☒ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Private equity
- ☒ Property
- ☐ Infrastructure
- ☐ Commodities
- ☐ Hedge funds
- ☐ Forestry
- ☐ Farmland
- ☐ Inclusive finance
- ☐ Other (1)

	Brief description of investment
--	---------------------------------

Our investment manager considers 'Green Stars' in the quadrant model of the GRESB survey as Green building portfolios/investments. Green Stars are real estate investments meeting the 50% hurdle on both dimensions (Management & Policy and Implementation & Measurement within GRESB).

- ☒ Sustainable forestry

	Asset class invested
--	----------------------

- ☐ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Private equity
- ☐ Property
- ☐ Infrastructure
- ☒ Commodities
- ☐ Hedge funds
- ☒ Forestry
- ☐ Farmland
- ☐ Inclusive finance
- ☐ Other (1)

	Brief description of investment
--	---------------------------------

Our forestry investments have to meet minimum requirements addressed by standards of the FSC or a comparable forestry certification scheme.

- ☒ Sustainable agriculture

Asset class invested

- ☐ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Private equity
- ☐ Property
- ☐ Infrastructure
- ☐ Commodities
- ☐ Hedge funds
- ☐ Forestry
- ☒ Farmland
- ☐ Inclusive finance
- ☐ Other (1)

Brief description of investment

Our investment manager has contributed to the development of sector guidelines for the investment community as a whole. Together with a group of institutional investors they launched the Principles for Responsible Investment in Farmland with the goal of improving the sustainability, transparency and accountability of investments in farmland.

The Farmland Principles provide institutional investors with guidance on:

- Promoting environmental sustainability;
- Respecting labour and human rights;
- Respecting existing land and resource rights;
- Upholding high business and ethical standards; and
- Reporting on activities and progress towards implementing and promoting the Principles.

☒ Microfinance

Asset class invested

- ☐ Listed equity
- ☒ Fixed income - corporate
- ☐ Fixed income - government
- ☒ Private equity
- ☐ Property
- ☐ Infrastructure
- ☐ Commodities
- ☐ Hedge funds
- ☐ Forestry
- ☐ Farmland
- ☒ Inclusive finance
- ☐ Other (1)

Brief description of investment

We make investments that provide solutions to sustainable development issues, such as microfinance.

- ☐ SME financing
- ☐ Social enterprise / community investing
- ☐ Affordable housing
- ☒ Education

Asset class invested

- ☒ Listed equity
- ☒ Fixed income - corporate
- ☐ Fixed income - government
- ☒ Private equity
- ☐ Property
- ☒ Infrastructure
- ☐ Commodities
- ☐ Hedge funds
- ☐ Forestry
- ☐ Farmland
- ☐ Inclusive finance
- ☐ Other (1)

Brief description of investment

On behalf of ABP, our dedicated investment manager actively seeks out attractive investments that promote sustainability. These include investments in sustainable energy, drinking water and waste water purification, waste disposal, schools, and hospitals. Directly and indirectly via our third party external fund managers, we provide capital to investments that add value in respect of both financial returns and sustainable development.

- ☒ Global health

Asset class invested

- ☒ Listed equity
- ☒ Fixed income - corporate
- ☐ Fixed income - government
- ☒ Private equity
- ☐ Property
- ☒ Infrastructure
- ☐ Commodities
- ☐ Hedge funds
- ☐ Forestry
- ☐ Farmland
- ☐ Inclusive finance
- ☐ Other (1)

Brief description of investment

On behalf of ABP, our dedicated investment manager actively seeks out attractive investments that promote sustainability. These include investments in sustainable energy, drinking water and waste water purification, waste disposal, schools, and hospitals. Directly and indirectly via our third party external fund managers, we provide capital to investments that add value in respect of both financial returns and sustainable development.

- ☐ Water
- ☐ Other area, specify

☐ No

Innovation

OA 18	Voluntary	Descriptive	General
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OA 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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☒ Yes

OA 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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Amongst other activities:

- For the quant portfolio, our investment manager has spent considerable time researching corporate governance indicators to statistically test their impact on long-term stock returns. The research identified a distinction between indicators focused on corporate policy and those focused on corporate behaviour (words vs. actions), with the latter being more correlated with returns than the former. A few indicators were found to be statistically significant and a number of methods are currently being considered to systematically incorporate them into an investment strategy.

- Our investment manager monitors its so-called High Sustainability investments, which are investments in sustainable and renewable energy (wind, solar, hydropower, and bio-energy), waste-to-energy-plants, schools, green buildings and microfinance.
- Our dedicated investment manager is a founding member of the Global Real Estate Sustainability Benchmark and has made participation and the achievement of above average performance within 3 years after the investment a condition of investment in non-listed real estate.

☐ No

Assurance of responses

OA 19	Voluntary	Additional Assessed	General
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OA 19.1	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.
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☒ Yes

OA 19.2	Indicate who has reviewed, validated and/or assured your reported information.
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- ☒ Reviewed by Board, CEO, CIO or Investment Committee
- ☐ Validated by internal audit or compliance function
- ☐ Assured by an external independent provider, specify name

OA 19.3	Describe the steps you have taken to review, validate and/or assure the content of your reported information.
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The ABP Board of Trustees is responsible for all ABP policies. Handling the survey is part of the monitoring of the execution of the investment policy. It has been finalized by the investment team of the ABP executive office. The ABP executive office supports the ABP Board of Trustees in the preparation, formulation and execution of ABP's policies.

Although the PRI Report will not itself be audited, KPMG did perform a pilot audit of ABP's 2013 Responsible Investment Report and will be fully auditing the 2014 report. There is significant overlap in the type of information reported, especially with regard to engagement and voting activities.

☐ No

Stichting Pensioenfonds ABP

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

SAM 01	Voluntary	Descriptive	PRI 1-6
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SAM 01.1

Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

ABP has appointed APG Asset Management N.V. (APG) as its asset manager. Before 2008, ABP and the APG organisation were one entity. Due to regulation from the supervisory authority, ABP outsourced the active asset management and pension undertakings by way of a long term mandate to APG of which ABP is a majority shareholder. For the purpose of this report, APG can be seen both as ABP's asset manager as well as ABP's fiduciary manager (investment consultant). Just over 70% of the assets are managed in-house by APG. The remainder of the assets is managed by external managers, which are selected and monitored by APG. Due to the contractual arrangements in place, APG is required to adhere to ABP's Responsible Investment (RI) Policy in relation to both the internally managed and externally managed portfolios. APG's mandate to ABP therefore fully reflects ABP's RI Policy. Based on this mandate APG also has to report regularly on selection criteria for the appointment of external managers.

Furthermore, ABP reviews the RI Policy and its implementation on a regular basis, including the prompt reporting of any breaches of our RI Policy.

SAM 02	Mandatory	Core Assessed	PRI 4
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SAM 02.1

Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.

☒ Yes

SAM 02.2

Indicate how your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers. [Optional]

☒ We use investment consultants in our selection and appointment of external managers

Asset class

- ☒ Listed Equity (LE)
- ☒ Fixed income - corporate (FIC)
- ☒ Fixed income - government (FIG)
- ☒ Private equity (PE)
- ☒ Infrastructure (INF)
- ☒ Property (PR)
- ☒ Other asset classes

☒ We use investment consultants in our monitoring of external managers

	Asset class
--	-------------

- ☒ Listed Equity (LE)
- ☒ Fixed income - corporate (FIC)
- ☒ Fixed income - government (FIG)
- ☒ Private equity (PE)
- ☒ Infrastructure (INF)
- ☒ Property (PR)
- ☒ Other asset classes
- ☒ We use fiduciary managers

	Asset class
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- ☒ Listed Equity (LE)
- ☒ Fixed income - corporate (FIC)
- ☒ Fixed income - government (FIG)
- ☒ Private equity (PE)
- ☒ Infrastructure (INF)
- ☒ Property (PR)
- ☒ Other asset classes

SAM 02.3

Indicate if your organisation considers responsible investment in the selection, appointment and/or review processes for investment consultants and/or fiduciary managers.

- ☒ Responsible investment is included in the selection process for investment consultants
- ☐ Consultants' responsibilities in relation to responsible investment in manager selection, appointment and monitoring processes are included in our contractual agreements with them
- ☐ Responsible investment is considered when reviewing investment consultants' advice on manager selection and performance monitoring
- ☐ We do not consider responsible investment in the selection, appointment and/or review processes for investment consultants.

☐ No

SAM 02.4

Additional information. [Optional]

ABP performs annual reviews on the 12 building blocks (i.e. the different investment categories APG manages on behalf of ABP, e.g. Developed Market Equities, Emerging Market Equities, Credits, Private Equity). These building blocks include the externally managed assets. Every year, a few building blocks, chosen based on current market developments while also ensuring sufficient rotation, are subject to an extensive review including an evaluation of the respective RI components. This extensive review includes an expert opinion of an external, independent investment consultant. Compliance with ABP's RI Policy is part of the reviews.

SAM 03	Mandatory	Gateway	General
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SAM 03.1

Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Listed equity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - corporate	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - government	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Private equity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Property	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Infrastructure	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Forestry	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Farmland	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Commodities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Hedge funds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other (1) [as defined in Organisational Overview module]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SAM 03.2

Additional information. [Optional]

ABP regularly monitors the implementation of its Responsible Investment Policy in all of the above asset classes.

Listed equity (LE), fixed income corporate (FIC) and fixed income government (FIG)

Overview

SAM 05

Mandatory

Gateway

PRI 1,2

SAM 05.1

Indicate which of the following ESG incorporation strategies you encourage or require your external manager(s) to implement on your behalf:

Active investment strategies

Active investment strategies	LE	FIC	FIG
Screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Passive investment strategies

Passive investment strategies	LE		
Screening	<input checked="" type="checkbox"/>		
Thematic	<input type="checkbox"/>		
Integration	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

SAM 05.2

Indicate if - on your externally managed assets - you engage directly, via service providers, or via your external manager.

	LE	FIC
We engage directly or via service providers on our externally managed assets	<input type="checkbox"/>	<input type="checkbox"/>
We require our external managers to engage on our behalf	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

SAM 05.3

Indicate if - on your externally managed listed equities - you cast your (proxy) votes directly, via service providers, or via your external manager.

	LE
We cast our (proxy) votes directly or via service providers on our externally managed assets	<input type="checkbox"/>
We require our external managers to cast our (proxy) votes on our behalf	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>

SAM 05.4	Additional information. [Optional]
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APG, who, for the purposes of this report, acts in both a fiduciary manager and an investment consultant capacity, has both directly managed and externally managed assets in its portfolio.

With regard to voting at shareholders' meetings of listed holdings, APG will cast the votes on ABP's behalf. In general, APG will vote all Listed Equity holdings itself, including externally managed assets, and values input from their external managers on voting matters.

APG performs all engagement itself. APG stimulates the external managers to develop their own engagement activities and raise E,S and G issues with companies. Especially in Emerging Markets, APG tries to work together with external managers on (E, S and) Corporate Governance issues to join forces, gain momentum and establish higher standards across the industry.

Selection

SAM 06

Mandatory

Core Assessed

PRI 1-6

SAM 06.1

Indicate whether your organisation, and/or your investment consultant, in the manager selection process for listed assets, typically do any of the following:

General

	LE	FIC	FIG
Review the manager's responsible investment policies	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss managers' governance and management of responsible investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Meet staff with responsible investment responsibilities to assess their skills and competence	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss minimum responsible investment expectations that managers must meet	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss the role managers have played in collaborative initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's responsible investment reporting to clients and/or the public, including PRI reporting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss the type of ESG reporting you expect	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assign specific weighting to ESG factors in your manager evaluation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other general aspects in your selection process, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG incorporation

	LE	FIC	FIG
Evaluate the quality and coverage of ESG research used by managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Assess how the manager incentivises brokers to provide ESG research	<input type="checkbox"/>	n/a	n/a
Assess managers' ESG incorporation strategies and ability to identify and manage ESG issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss with managers how ESG issues have impacted specific investment decisions and, where relevant, stock or portfolio performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Evaluate index providers' ESG incorporation when designing the index	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other ESG incorporation issues in your selection process, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Engagements

	LE	FIC
Discuss the managers' engagement processes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss the role managers have played in influencing companies' ESG practices and performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss how information gained through engagement is incorporated into investment decision-making	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other engagement issues in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

(Proxy) voting

	LE
Discuss the managers' voting processes	<input checked="" type="checkbox"/>
Discuss how information gained through research for (proxy) voting is used in investment-decision making	<input checked="" type="checkbox"/>
Other (proxy) voting issues in your selection process, specify	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

If you select any 'Other' option(s), specify

Our dedicated asset manager, APG, has a specific assessment questionnaire for assessing their quantitative external managers concerning research into the integration of ESG indicators in quantitative models.

SAM 06.2

Provide additional information relevant to your organisation's selection approach for listed assets. [Optional]

ABP has a dedicated asset manager for all asset classes, namely APG. Contractual arrangements require APG to implement ABP's RI Policy on our behalf. ABP, therefore, includes a number of the above mentioned criteria for listed assets in the process of monitoring APG's performance in this regard.

We do not select or appoint third party underlying managers as this is done by APG.

APG also uses a number the above outlined criteria in the third-party manager selection process for listed assets, so this would form part of their approach to integrating ABP's responsible investment policy into their externally managed listed asset classes.

Appointment

SAM 07

Voluntary

Additional Assessed

PRI 4

SAM 07.1

When appointing managers, indicate which of the following responsible investment considerations your organisation typically includes in investment management agreements/contracts for your listed assets:

General

	LE	FIC	FIG
Acting in accordance with your organisation's overall investment beliefs or policy on responsible investment and ESG issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other general RI considerations in investment management agreements, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG incorporation

	LE	FIC	FIG
Specific requirements relating to the incorporation of ESG issues into investment decision-making	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other RI considerations relating to ESG incorporation in investment management agreements, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Engagement

	LE	FIC
Specific requirements relating to engagement	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other RI considerations relating to engagement in investment management agreements, specify	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(Proxy) voting

	LE
Specific requirements relating to (proxy) voting	<input checked="" type="checkbox"/>
Other RI considerations relating to (proxy) voting in investment management agreements, specify	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

	Reporting
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	LE	FIC	FIG
Reporting on the agreed responsible investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Reporting on the ESG characteristics of the portfolio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reporting on the impact of ESG issues on financial performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other RI considerations relating to reporting in investment management agreements, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SAM 07.2	Provide additional information relevant to your organisation's manager appointment process and considerations included in contractual agreements for listed assets.
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As previously stated, ABP has a dedicated investment manager, APG.

APG has both directly managed and externally managed assets in its portfolio to which the above mentioned considerations apply.

Monitoring

SAM 08	Mandatory	Core Assessed	PRI 1
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SAM 08.1	Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:
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	General
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	LE	FIC	FIG
Include responsible investment as a standard agenda item at performance review meetings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Highlight examples of good responsible investment practice by other managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review the manager's responsible investment reporting, for example PRI-generated responsible investment reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Request information on whether your manager's approach to ESG issues has impacted financial performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Request information on whether your manager's approach to ESG issues has impacted risk or volatility	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Request information on whether your manager's approach to ESG issues has impacted ESG performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other general aspects of your monitoring, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG incorporation

	LE	FIC	FIG
Request information on ESG incorporation in specific investment decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other ways you monitor ESG incorporation, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Engagements

	LE	FIC
Review the ESG information relevant to the engagements	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Discuss the number of engagements and their comprehensiveness	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Discuss the type of role played (i.e. leading or supporting)	<input type="checkbox"/>	<input type="checkbox"/>
Review the progress of ongoing engagements and/or outcomes of completed engagements	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other ways you monitor engagement activities, specify	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(Proxy) voting

	LE
Review the number or percentage of votes cast	<input checked="" type="checkbox"/>
Request an explanation of reasons for votes cast	<input type="checkbox"/>
Discuss whether companies were informed of the reasons for votes against management recommendations or abstentions/withheld votes	<input type="checkbox"/>
Review the number of resolutions on ESG issues filed or co-filed	<input type="checkbox"/>
Discuss the changes in company practice (outcomes) that have been achieved from voting activities	<input type="checkbox"/>
Other ways you monitor (proxy) voting activities, specify	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

If you select any 'Other' option(s), specify

Our asset manager, APG, requires listed equity external managers to participate in an annual review which also includes questions on Responsible Investment (RI). Through this annual questionnaire the external managers are asked to describe changes in and examples of its RI Policy, industry initiatives and collaboration, governance of RI, integration of ESG issues and engagement activities.

APG has developed a methodology which compares the approach to RI of different listed equity external managers to their peers, and with this methodology they can also track improvements from one year to another. In 2013, this methodology was implemented for the first time. Results of the assessment will be shared with the third party external managers as part of our investment manager's ongoing contact with those external managers. As a result of the annual questionnaire, several external managers have shown interest in working more closely with APG on improving their RI policies and practices.

SAM 08.2	Provide additional information relevant to your organisation's dialogue and monitoring of external managers. [Optional]
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As previously stated, all our assets are managed by our dedicated asset manager, APG, who is tasked with the implementation of our Responsible Investment Policy. APG would, on our behalf, enter into a dialogue with and monitor the third party external managers.

In the due diligence process of all third party external managers, APG asks Listed Equity and Fixed Income Credit managers to provide insight into their approach to RI.

SAM 09	Mandatory	Core Assessed	PRI 2
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SAM 09.1	For the listed equities where you have given your external managers a (proxy) voting mandate, indicate the approximate percentage (+/- 5%) of votes that were cast during the reporting year.
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☒ We track or collect this information

	Votes cast (to the nearest 5%)
--	--------------------------------

	%
--	---

98.5

	Specify the basis on which this percentage is calculated
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- ☒ Of the total number of ballot items on which they could have issued instructions
- ☐ Of the total number of company meetings at which they could have voted
- ☐ Of the total value of your listed equity holdings on which they could have voted

☐ We do not track or collect this information

Private equity (PE), property (PR) and infrastructure (INF) - non-listed assets

Selection

SAM 10	Mandatory	Core Assessed	PRI 1-6
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SAM 10.1	Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:
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	General
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	PE	PR	INF
Review the manager's/general partner's responsible investment policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss the manager's governance and management of responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Meet staff with responsible investment responsibilities to assess their skills and competence	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss minimum responsible investment expectations that managers must meet	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss the role managers have played in collaborative initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the external manager's reporting and how it will help you to monitor that it is acting consistent with the agreed-upon ESG-related policies and practices during the life of the fund	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's responsible investment disclosure, including PRI reporting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assign specific weighting to ESG factors in your manager evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other general aspects in your selection process, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Investment selection (pre-investment) of underlying holding

	PE	PR	INF
Assess the manager's policies, processes and systems for identifying ESG-related value drivers and managing material ESG-related risks pre-investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other pre-investment aspects reviewed in your selection process, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Investment monitoring (post-investment) of underlying holding

	PE	PR	INF
Understand if and how the manager influences and supports its portfolio companies'/assets' management of ESG-related risks and pursuit of ESG-related opportunities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss examples of how managers have previously identified and addressed ESG issues in their portfolios on an ongoing basis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the manager's/general partner's approach to managing and disclosing material incidents at the manager / General Partner and underlying holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other post-investment aspects reviewed in your selection process, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you select any 'Other' option(s), specify

Our investment manager, APG, has developed and uses advanced ESG processes to be able to integrate ESG considerations in the investment selection and monitoring for alternative asset classes. They pay attention to the underlying manager's ongoing compliance with its own responsible investment framework and would also expect to be informed about any changes to an external manager's RI policies and get an insight as to how these policies are being implemented over the life of the investment. The themes outlined in the ESG Disclosure Framework for Private Equity (which can be found at: http://www.unpri.org/viewer/?file=wp-content/uploads/13161_ESG_Disclosure_Document_v6.pdf) are used as the basis for monitoring practices.

SAM 10.2

Provide additional information relevant to your organisation's selection approach for non-listed assets. [Optional]

On behalf of ABP, APG also invests in non-listed assets. Our Responsible Investment Policy is implemented in the investment selection process, including the integration of ESG considerations in investment decisions.

Appointment

SAM 11

Voluntary

Additional Assessed

PRI 4

SAM 11.1

When appointing managers, indicate which of the following responsible investment considerations your organisation typically includes in agreements/fund formation contracts for your non-listed assets:

General

	PE	PR	INF
Acting in accordance with your organisation's overall investment beliefs or policy on responsible investment and ESG issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other general RI considerations in your agreements, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Investment selection (pre-investment) of underlying holding

	PE	PR	INF
Specific requirements relating to how ESG issues are identified and managed in investment decision-making	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other RI considerations relating to investment selection in your agreements, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Investment monitoring (post-investment) of underlying holding

	PE	PR	INF
Specific requirements relating to the manager supporting or influencing the underlying holdings' management of ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other RI considerations relating to investment monitoring in your agreements, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reporting

	PE	PR	INF
Reporting on the agreed ESG implementation activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Reporting on the ESG characteristics of the portfolio	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Reporting on company incidents relating to ESG issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Reporting on the impact of ESG issues on financial performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other RI considerations relating to reporting in your agreements, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you select any 'Other' option(s), specify

On behalf of ABP, APG, ensures that key ESG requirements for alternative investments (which includes infrastructure, real estate and private equity) are reflected in the contractual arrangements with underlying external managers.

The final form of legal requirements regarding our responsible investment criteria will depend on the individual circumstances of each investment.

SAM 11.2

Provide additional information relevant to your organisation's manager appointment process and considerations included in contractual agreements for non-listed assets.

On behalf of ABP, APG is tasked with the implementation of ABP's RI Policy for the total asset portfolio including both listed and non-listed assets. APG is required to report on policy implementation via regular reports to ABP. Breaches of the RI Policy are also required to be reported if discovered.

APG ensures that key ESG requirements are reflected in the contractual arrangements with third party external managers. Therefore, contracts with such managers will typically include a mix of the following:

- acknowledgement of APG's responsible investment requirements and exclusion policy requirements
- regular reporting requirements, including frequency and content
- reporting on high sustainability investments
- specific requirements regarding investments in high risk industries or countries
- acknowledgement and adherence to certain international standards (e.g. IFC Performance Standards)
- opt-out rights for certain types of investment
- fund governance requirements modelled on ILPA principles.

The final form of legal requirements regarding responsible investment criteria will depend on the individual circumstances of each investment.

Monitoring

SAM 12

Mandatory

Core Assessed

PRI 1-6

SAM 12.1

Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager, typically do any of the following:

General

	PE	PR	INF
Include responsible investment as a standard agenda item at performance review meetings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Highlight examples of good responsible investment practice by other managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review manager's responsible investment reporting, for example PRI-generated responsible investment reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Encourage your managers to consider joining responsible investment initiatives or organisations or participate in collaborative projects with other investors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Request information on whether your manager's approach to ESG issues has impacted financial performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Request information on whether your manager's approach to ESG issues has impacted ESG performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other general aspects of your monitoring, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Investment selection (pre-investment) of underlying holding

	PE	PR	INF
Discuss how the analysis of ESG issues affected investment decisions during the reporting period	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other ways ESG issues are incorporated in the pre-investment process, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Investment monitoring (post-investment) of underlying holding

	PE	PR	INF
Request reports on the ESG characteristics of the manager's underlying holdings and discuss related developments that may impact holdings in the fund	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Request examples of ESG issues identified within the portfolio and action taken in response	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Request details of how ESG factors were considered when preparing to exit from investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other ways ESG issues are monitored in the post-investment process, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you select any 'Other' option(s), specify

Relevant ESG topics are frequently a part of APG's annual review of external managers. If any significant concerns are identified by its Sustainability and Governance Team, they would jointly, with their internal responsible investment professionals engage with the third party external manager. At our request, APG will report to ABP on the specific issues and progress made, as well as proactively report on any detected breaches of the RI Policy.

SAM 12.2

Provide additional information relevant to your organisation's dialogue and monitoring of external managers. [Optional]

As it does not perform the selection of third party external managers itself, ABP relies on APG to have a dialogue with and monitor third party external managers on behalf of ABP.

Other asset classes

SAM 13	Voluntary	Descriptive	PRI 1-6
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SAM 13.1

Describe how your organisation, and/or your investment consultants, address responsible investment factors in manager selection, appointment and/or monitoring process for the following asset classes:

Asset Class	Description
Commodities	<p>In the commodities portfolio, investments are made directly or indirectly via funds in unlisted companies with operations in the fields of forestry, agriculture, mining, and oil and gas exploration and production. APG has a set of internal ESG guidelines for natural resource investments which include asset-specific due diligence questions. It sets high demands on the ESG performance of these companies as well the supervision of that performance by the funds in which we invest. For example, there is a requirement for all the funds investing in mining and oil and gas production in emerging markets to agree contractually to adhere to working procedures in accordance with internationally accepted guidelines. Specifically, this concerns the guidance associated with the IFC (International Finance Corporation) Performance Standards on Environmental and Social Sustainability.</p> <p>Moreover, each investment in this portfolio is dependent on approval by APG's S&G Team. Its portfolio managers furthermore regularly visit investment projects in the commodities portfolio. These visits serve to ensure that, among other things, the ESG performance of the investments can be properly assessed.</p>
Farmland	<p>In the commodities portfolio, investments are made directly or indirectly via funds in unlisted companies with operations in the fields of forestry, agriculture, mining, and oil and gas exploration and production. APG has a set of internal ESG guidelines for natural resource investments which include asset-specific due diligence questions. It sets high demands on the ESG performance of these companies as well the supervision of that performance by the funds in which we invest. For example, there is a requirement for all the funds investing in mining and oil and gas production in emerging markets to agree contractually to adhere to working procedures in accordance with internationally accepted guidelines. Specifically, this concerns the guidance associated with the IFC (International Finance Corporation) Performance Standards on Environmental and Social Sustainability.</p> <p>Moreover, each investment in this portfolio is dependent on approval by our investment manager's S&G Team. Its portfolio managers furthermore regularly visit investment projects in the commodities portfolio. These visits serve to ensure that, among other things, the ESG performance of the investments can be properly assessed.</p> <p>In the field of agriculture, APG not only reviews and judges our investments on ESG factors, but also makes a contribution to the development of the standards for investing in agricultural land. Working together with other institutional investors we have been instrumental in drawing up the Principles for Responsible Investment in Farmland, with the aim of improving sustainability, transparency and accountability in this area.</p>
Forestry	<p>We invest in forestry funds via our commodities portfolio. In addition to all the standard ESG requirements for all investments in the commodities asset class, APG requires external managers investing in timber assets to operate in accordance with a sustainable forestry certification scheme (such as the FSC or equivalent). If not in place such certification needs to be sought in order for us to invest. Sustainable forestry certification schemes usually include requirements regarding greenhouse gas emissions, harvesting methods, genetically modified organisms, maintaining soil fertility and the use of agricultural chemicals.</p>
Hedge funds	<p>Hedge funds are investment funds that apply a wide variety of strategies in order to achieve returns on the financial markets. APG screens investments in hedge funds in terms of ESG aspects, with the S&G team having an important say in the assessment of the funds. APG's S&G Team is consequently closely involved with the assessment of all new investment proposals. The analysis by the S&G team is moreover evaluated by an internal investment committee. In 2012 chaired a working group of global investors with the aim of developing guidelines for hedge funds with regard to responsible investment and transparency. This resulted in the publication of a discussion document by the UN PRI that serves as a guideline for institutional investors when selecting and monitoring their hedge fund managers.</p>

SAM 13.2	Additional information.
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As stated elsewhere in this report, ABP does not directly engage in the selection process of third party external managers. This is done on our behalf by APG. The process however, is reviewed and monitored by ABP.

The basic manager selection, appointment and/or monitoring process used by APG is the same for all of the above asset classes and takes ESG considerations into account, including a mandatory ESG sign-off process.

APG also has separate responsible investment implementation guidelines for hedge funds, private equity and commodities (this includes forestry). In addition, it has developed guidance on Unconventional Gas Operations for external managers.

ABP expects High Sustainability Investments in all asset classes, including the above, to be reported by APG.

External managers of real estate have to agree to the following conditions, which are included in the legal documentation:

- Participation of the investment in the annual GRESB-survey for the full holding period of our investment; and
- To the extent that the investment has not yet achieved above average sustainability performance (i.e. outperforming 50% of the peer group in the GRESB benchmark), the manager agrees to work in good faith with APG to identify and to implement agreed upon strategies designed to achieve the required outperformance within three years' time.

Outputs and outcomes

SAM 14	Mandatory to Report Voluntary to Disclose	Descriptive	PRI 1-6
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SAM 14.1	Indicate approximately what percentage (+/- 10%) of your externally managed assets are managed by PRI signatories.
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	%
--	---

100

SAM 14.2	Additional information. [Optional]
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Our dedicated, APG, investment manager is a signatory of the PRI.

However, if we were to distinguish between the assets managed directly by APG and those managed by third-party external managers appointed by APG, then roughly 73% of all assets are managed by PRI signatories (approximately 70% of assets are directly managed by APG - a PRI signatory - and of the remaining 30% of assets, roughly 10% are managed by PRI signatories).

APG imposes specific ESG and disclosure requirements on all its external managers. Therefore, even though 27% of externally managed assets are technically not managed by PRI signatories, they are still managed by parties chosen by APG based on specific RI criteria.

SAM 15	Voluntary	Descriptive	PRI 2
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SAM 15.1	Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.
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☒ Add Example 1

Topic or issue	Annual ESG Review by ABP
Conducted by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Investment consultants
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate bonds <input type="checkbox"/> Fixed income – government bonds <input type="checkbox"/> Private equity <input type="checkbox"/> Infrastructure <input type="checkbox"/> Property <input type="checkbox"/> Commodities <input type="checkbox"/> Farmland <input type="checkbox"/> Forestry <input type="checkbox"/> Hedge funds
Scope and process	APG is required to report and present its strategy and achievements at an annual review meeting with ABP Board members. This includes a review of the RI policy.
Outcomes	The Annual ESG review is an opportunity for the ABP Board to monitor the implementation of ABP's Responsible Investment Policy and engage with our dedicated investment manager on ESG achievements and strategic direction.

☒ Add Example 2

Topic or issue	External Manager Review by APG
Conducted by	<input type="checkbox"/> Internal staff <input checked="" type="checkbox"/> Investment consultants
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate bonds <input type="checkbox"/> Fixed income – government bonds <input type="checkbox"/> Private equity <input type="checkbox"/> Infrastructure <input type="checkbox"/> Property <input type="checkbox"/> Commodities <input type="checkbox"/> Farmland <input type="checkbox"/> Forestry <input type="checkbox"/> Hedge funds
Scope and process	APG conducts an annual review of the ESG activities of its listed equity external managers.
Outcomes	Just over half of APG's listed equity external managers showed improvements in one or more elements included in our annual assessment of their approach to responsible investment and the implementation thereof, with the most common improvement being more specific examples of their integration and engagement activities.

☒ Add Example 3

Topic or issue	ESG policy requirements of new Private Equity managers
Conducted by	<input type="checkbox"/> Internal staff <input checked="" type="checkbox"/> Investment consultants
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate bonds <input type="checkbox"/> Fixed income – government bonds <input checked="" type="checkbox"/> Private equity <input type="checkbox"/> Infrastructure <input type="checkbox"/> Property <input type="checkbox"/> Commodities <input type="checkbox"/> Farmland <input type="checkbox"/> Forestry <input type="checkbox"/> Hedge funds
Scope and process	For all new private equity investments, APG requires an ESG policy for new external managers.
Outcomes	There have been cases in the past year where private equity managers have developed ESG policies largely due to APG's engagement.

☐ Add Example 4

☐ Add Example 5

Communication

SAM 16	Mandatory	Core Assessed	PRI 6
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SAM 16.1

Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.

☒ Yes, we disclose information publicly

provide URL

<http://www.abp.nl/over-abp/wat-doen-wij/beleggen/verantwoord-beleggen/>

SAM 16.2

Indicate if the level of information you disclose to the public is the same as that disclosed to clients and/or beneficiaries.

☒ Yes

SAM 16.3

Indicate what type of information your organisation proactively discloses to the public and clients and/or beneficiaries about your indirect investments.

- ☒ How responsible investment considerations are included in manager selection, appointment and monitoring processes
- ☒ Details of the responsible investment activities carried out by managers on your behalf
- ☒ E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership
- ☐ Other, specify

☐ No

☐ Yes, we disclose information to clients/beneficiaries only

☐ We do not proactively disclose information to the public and/or clients/beneficiaries

SAM 16.4

Additional information. [Optional]

Each year our Responsible Investment Report is published on our website. The report frequently includes information about responsible investment considerations and activities in the indirect investment portfolios.

Stichting Pensioenfondsen ABP

Reported Information

Public version

Indirect - Inclusive Finance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Context

IFI 01	Mandatory to Report Voluntary to Disclose	Descriptive	General
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IFI 01.1	Indicate approximately what percentage (+/-10%) of your externally managed assets in inclusive finance are managed by PIIF signatories.
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- ☒ All
☐ Some

Selection

IFI 02	Mandatory	Core Assessed	General
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IFI 02.1	Indicate if you have due diligence policies and/or procedures in place for the selection of external investment managers in inclusive finance that take their approach to the following responsible investment issues (PIIF Principles) into account:
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	Actively supporting retail providers to innovate and expand the range of financial services available to low income people (Principle 1)
--	--

- ☐ Yes
☒ No

	Integration of client protection in investment policies and practices. (Principle 2)
--	--

- ☐ Yes
☒ No

	Treating investees fairly with appropriate financing that meets demand, clear and balanced contracts, and fair processes for resolving disputes. (Principle 3)
--	--

- ☒ Yes
☐ No

	The inclusion of environmental, social and corporate governance (ESG) issues in investment policies and reporting. (Principle 4)
--	--

- ☒ Yes
☐ No

	Active promotion of transparency in all aspects. (Principle 5)
--	--

- ☒ Yes
☐ No

	Striving for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors. (Principle 6)
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- ☐ Yes
☒ No

	Collaborating to set harmonised investor standards that support the further development of inclusive finance. (Principle 7)
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- ☒ Yes
☐ No

IFI 02.2	Additional information. [Optional]
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Our investment manager did not make any new investments in inclusive finance in 2014. PIIF is presently not specifically referred to in the contractual agreements/investment mandates of our investment manager. Limited Partnership Agreements in Private Equity Funds focusing on inclusive finance have been signed prior to the establishment of PIIF. Our investment manager tracks how many investments in the inclusive finance portfolio are managed by PIIF signatories.

Contractual agreements and mandate design

IFI 03	Mandatory	Core Assessed	General
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IFI 03.1	When agreeing contracts and designing mandates with investment managers, in the process, indicate if you consider including the following issues referred to in the PIIF:
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	Actively supporting retail providers to innovate and expand the range of financial services to low-income people (Principle 1)
--	--

- ☐ Yes
☒ No

	Integration of client protection in investment policies and practices (Principle 2)
--	---

- ☐ Yes
☒ No

	Treating investees fairly with appropriate financing needs that meets demand, clear and balanced contracts and fair processes for resolving disputes (Principle 3)
--	--

- ☐ Yes
☒ No

	The inclusion of ESG issues in investment policies and reporting (Principle 4)
--	--

- ☐ Yes
☒ No

	Active promotion of transparency in all aspects (Principle 5)
--	---

- ☐ Yes
☒ No

	Striving for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors (Principle 6)
--	--

- ☐ Yes
☒ No

	Collaborating to set harmonised investor standards that support the further development of inclusive finance (Principle 7)
--	--

- ☐ Yes
☒ No

IFI 03.2	Additional information. [Optional]
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The investment mandate of our investment manager, APG, includes a requirement for it to comply with ABP's responsible investment policy. Depending on the type of investment, APG may include specific ESG-related provisions in the legal documentation concerning that investment. As stated above, PIIF is presently not specifically referred to in the contractual agreements/investment mandates of our investment manager. Through Limited Partnership Agreements in Private Equity Funds inclusive finance investments have been signed prior to the establishment of PIIF.

Investment manager monitoring and reporting

IFI 04	Mandatory	Core Assessed	General
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IFI 04.1	Indicate if you monitor your current investment managers' implementation of the PIIF principles.
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- ☒ Yes

IFI 04.2	Indicate the frequency of reporting you typically require.
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- ☒ Annually or more frequently
☐ Every two years or less
☐ Ad-hoc, specify
☐ No

IFI 04.3	Additional information. [Optional]
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APG is a PIIF signatory and monitors our inclusive finance investments. They include information about inclusive finance in the annual RI report. They also monitor the external managers' implementation of the PIIF principles annually and information on portfolio company development is reported on a quarterly basis.

IFI 05	Voluntary	Additional Assessed	General
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IFI 05.1	Indicate if you require your investment managers to provide you with information in line with established industry standards.
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☐ Yes

☒ No

Disclosure

IFI 06	Mandatory	Core Assessed	General
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IFI 06.1	Indicate if your organisation proactively discloses any information about your approach to responsible investment in inclusive finance.
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☒ Yes, we disclose publicly

	provide URL
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<http://www.abp.nl/over-abp/wat-doen-wij/beleggen/verantwoord-beleggen/>

☐ Yes, we disclose to clients/beneficiaries only

☐ No

IFI 07	Voluntary	Descriptive	General
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IFI 07.1	Indicate if you contributed to the promotion of responsible investment in inclusive finance in the reporting year, beyond investment manager selection, appointment, monitoring and reporting.
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☒ Yes

IFI 07.2	Describe what actions you have taken and if these are delivered via a separate entity.
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Our investment manager, APG, actively promotes our responsible investment policy in order to promote sustainability and corporate governance. APG works with other asset managers and pension funds around the world to increase the impact of our Responsible Investment policy and communicate actively about these activities, including our High Sustainability Investments (HSIs), which take into account investments in inclusive finance. HSIs include investments in sustainable energy, drinking water and waste water purification, waste disposal, micro credit, schools, and hospitals. We therefore consider inclusive finance to be part of our HSI portfolio.

☐ No